Sri H. M. CHANNABASAPPA.—I would like to know the present rate of the ore.

Sri H. SIDDAVEERAPPA.—For the present rate, I want notice.

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**Sugar Company, Mandya (Irregularities Noticed by Anti-Corruption Department).**

*Q.*—393. Sri M. PALANIYAPPAN (Ulsoor).—

Will the Government be pleased to state:—

(*a*) whether it is a fact that there were some irregularities noticed by the Director of the Efficiency Audit and Anti-Corruption in Sugar Company, Mandya;

(*b*) if so, whether he has submitted any report to the Government;

(*c*) when the report was submitted to the Government;

(*d*) what are the malpractices reported in the report;

(*e*) what is the action taken by the Government?

*A.*—Sri H. SIDDAVEERAPPA (Minister for Home and Industries).—

(*a*) Yes, by the Special Officer, Efficiency Audit who was appointed as Government Auditor under the Articles of Association of the Company, to audit the accounts of the Company for the period from 1951-52 up to end of June 1953.

(*b*) Yes.

(*c*) 20th February 1954.

(*d*) The report showed certain irregular transactions carried out by the Chairman in the conduct of operations of the Company leading to the conclusion that he has acted in a manner detrimental to its interests.

(*e*) The report has been forwarded to the Board of Directors of the Mysore Sugar Company for its views and on the receipt of the same Government will take such action as may be found necessary.

In the meanwhile, Sri A. G. Bandi Gowda, Chairman and Managing Director of the Sugar Company was removed from the Office of the Government Director on the Board of Directors of the Company.

Sri M. PALANIYAPPAN.—On what material did the Government appoint the Special Officer to go into the accounts of this Company?

Sri H. SIDDAVEERAPPA.—On the information made available to the Government.

Sri M. PALANIYAPPAN.—Did any private party give the information or did the Government itself infer?

Sri H. SIDDAVEERAPPA.—The Government have not volunteered, but as to the information available, I cannot disclose what that information is.

Sri M. PALANIYAPPAN.—What is the nature of malpractices?

Sri H. SIDDAVEERAPPA.—I can only refer to one or two, not many. One is sale of 30,000 bags of sugar at Rs. 82 per bag to one Bindiwal Company when the ruling market rate was Rs. 83-12-0 per bag. The second is, entrusting printing work to a firm at the rate of Rs. 23 per book, whereas according to the quotations and information given by some important Presses like the Bangalore Press, etc. it would only cost one rupee per book. The third is, misuse of the Company's funds for supplying ammonium sulphate to one gentleman called Sri M. R. Murthy. These are three important ones.

Sri M. PALANIYAPPAN.—What is the total amount involved in all these three?

Sri H. SIDDAVEERAPPA.—It is considerable.

Sri M. PALANIYAPPAN.—May I know the exact amount?

Sri H. SIDDAVEERAPPA.—Regarding the sale of sugar, the loss is estimated to be Rs. 52,500. Regarding the printing work, the loss is estimated to be Rs. 50,000 to 60,000. Regarding the sale of ammonium sulphate, the loss is estimated to be a few thousands of upees; Rs. 2,545 is the actul loss and the other is some contemplated interest on the capital investment.

Sri M. PALANIYAPPAN.—When was the Chairman of the Sugar Company removed from the office?

Sri H. SIDDAVEERAPPA.—On 25th February 1954.

Sri M. PALANIYAPPAN.—When was the report sent to the Board of Directors of the Sugar Company for their views ?

Sri H. SIDDAVEERAPPA.—It is pending there from nearly one year.

Sri M. PALANIYAPPAN.—Were not these Directors the same when the Chairman was there in office ?

Sri H. SIDDAVEERAPPA.—There is a change in the directorate.

Sri M. PALANIYAPPAN.—What is the idea of the Government in sending this report to the Board of Directors for their views ?

Sri H. SIDDAVEERAPPA.—Under the Articles of Association it is necessary. The Board of Directors also will have to give their opinion regarding the several points raised therein and also to find out whether the Ex-Chairman has any remarks to offer regarding the points raised by the Special Officer, Efficiency Audit in his report.

Sri M. PALANIYAPPAN.—Has not the Board of Directors seconded the actions of the Chairman ?

Sri H. SDDIAVEERAPPA.—Those are all matters of detail.

Sri M. PALANIYAPPAN.—Is it not very unfair to ask the accused themselves to sit in judgment over the things that they have done ?

Sri H. SIDDAVEERAPPA.—This does not arise.

Sri M. PALANIYAPPAN.—How many days more does this Board require to offer their views in this matter ?

Sri H. SIDDAVEERAPPA.—I am given to understand that it is about to be finalised.

Sri M. PALANIYAPPAN.—How many months or years does it require for the Board to place their views ?

Sri H. SIDDAVEERAPPA.—I cannot say ; I am told, very soon.

Sri M. PALANIYAPPAN.—It is already one year old. One year is quite sufficient time for them to give their opinion.

Sri H. SIDDAVEERAPPA.—It is a a matter of opinion.

Sri M. PALANIYAPPAN.—What is the action that the Government is going to take if the report is not sent in time ?

Sri H. SIDDAVEERAPPA.—That is a hypothetical question.

Sri M. PALANIYAPPAN.—Will the Government at least ask a non-official body to go into the matter and submit their report regarding the action to be taken in this matter ?

Sri H. SIDDAVEERAPPA.—No.

Sri M. PALANIYAPPAN.—How many allegations there were against the Chairman of the Sugar Company ?

Sri H. SIDDAVEERAPPA.—I have only mentioned a few which are important. There are 6 or 7.

Sri M. PALANIYAPPAN.—How many charges have been proved and what is the total amount of loss involved ?

Sri H. SIDDAVEERAPPA.—As I have already said, those are all matters of detail. Now the Board of Directors have been requested to send their report in the matter. I want to get it verified further. I am basing all my remarks now on the report of the Special Officer, Efficiency Audit. I want to get it verified, if necessary, by looking at it in the context of the remarks that may be offered by the ex-Chairman. Therefore, these are only tentative figures that have been proved by the report of the Special Officer, Efficiency Audit.

Sri M. PALANIYAPPAN.—How many of these irregularities were committed with the connivance of the other Directors and how many without the connivance ?

Sri H. SIDDAVEERAPPA.—Nothing has been brought to my notice to show that the other Directors have connived at these.

Sri M. PALANIYAPPAN.—The transactions must have been done with or without the approval of the Directors. In how many cases the Chairman did them himself without consulting the Directors ?

Sri H. SIDDAVEERAPPA.—Regarding some of these transactions, my report is to the effect that the Chairman himself entered into these transactions without any reference to the Board of Directors. There are other transactions which require to be

verified and I will be able to tell you after I receive a report from the Board of Directors.

**Sri A. BHEEMAPPA NAIK.**—Is it not a Joint Stock Company?

**Sri H. SIDDAVEERAPPA.**—Yes.

**Sri A. BHEEMAPPA NAIK.**—Has it not been audited by Chartered Accountants?

**Sri H. SIDDAVEERAPPA.**—I presume it is so.

**Sri A. BHEEMAPPA NAIK.**—Have they offered any such remarks as regards these transactions in their note while submitting the balance sheet and auditing accounts?

**Sri H. SIDDAVEERAPPA.**—Notice.

**Sri A. BHEEMAPPA NAIK.**—Have not the Chartered Accountants who have audited the accounts, later on said that all these are false allegations against the ex-Chairman?

**Sri H. SIDDAVEERAPPA.**—I have not received any report to that effect.

**Sri A. BHEEMAPPA NAIK.**—Are you prepared to place the report of the Chartered Accountants who have audited these accounts during the periods mentioned now?

**Sri H. SIDDAVEERAPPA.**—If the rules permit, if there is nothing contrary and if it is not against public interests, I will place it.

**Sri A. BHEEMAPPA NAIK.**—It is not a hypothetical answer that I am asking for. It is for you to consider, without 'ifs' or 'buts'—it is for you to consider this: are you going to place before this House the report of the Chartered Accountants pertaining to those periods, which is a public document?

**Sri H. SIDDAVEERAPPA.**—I will consider the advisability or otherwise of following the course suggested by the Hon'ble Member.

**Sri A. BHEEMAPPA NAIK.**—Is Sri Appaji Gowda whom you have sent for audit, a Chartered Accountant?

**Sri H. SIDDAVEERAPPA.**—He is a man well versed in accounting methods also.

**Sri A. BHEEMAPPA NAIK.**—Is it not against the rules to audit the accounts of a Company unless he be a Chartered Accountant?

**Sri H. SIDDAVEERAPPA.**—I think there was also a qualified auditor of the Government department who assisted Sri Appaji Gowda in understanding the accounts.

**Sri A. BHEEMAPPA NAIK.**—Does he know that the accounts of a Joint Stock Company, especially the accounts of a Joint Stock Company of the type of Mandya Sugar Company should have been audited by most efficient auditors?

**Sri H. SIDDAVEERAPPA.**—It is nowhere said that Accountants too do not commit any mistakes.

1 P.M.

**Sri A. BHEEMAPPA NAIK.**—Are there any instances where Government accountants go and audit the accounts of the Joint Stock Companies?

**Sri H. SIDDAVEERAPPA.**—I do not know whether there is any precedent to the case which we have now in view. But Government could not abdicate its rights to know how things are taking place especially when they hold a major part of the shares there, which is but right.

**Sri A. BHEEMAPPA NAIK.**—Why did you not ask a chartered Accountant to go and audit the accounts? Have they not also asked?

**Sri H. SIDDAVEERAPPA.**—That is a matter, Sir, which I am not in a position to say now, since I am awaiting the report of the Directors.

**Sri A. BHEEMAPPA NAIK.**—Is it not a fact that the other auditor whom you have appointed has stated that the whole thing is a fake. Is it not just to bring down the ex-Chairman, because he has fallen down and is not in favour?

**Sri H. SIDDAVEERAPPA.**—I entirely repudiate the insinuation and suggestion.

**Mr. SPEAKER.**—Question hour is over.

(Many Hon'ble Members rose to put questions).

ಶ್ರೀ ಕೆ. ಪಂಚಾಕ್ಷರಯ್ಯ.—ಬಹಳ ಪ್ರಶ್ನೆಗಳು ಉಳಿದಿರುವುದರಿಂದ, ಒಂದೊಂದು ಪ್ರಶ್ನೆ ಇಪ್ಪತ್ತು ಕಾಲ ಆಗುತ್ತದೆಂದು ಎಲ್ಲ ಪ್ರಶ್ನೆಗಳಿಗೂ ಅವಕಾಶ ಒದಗಿಸಬೇಕು. ಇಲ್ಲದಿದ್ದರೆ ನಾವು ಪ್ರಶ್ನೆಗಳನ್ನು ಕಳುಹಿಸುವ ಉದ್ದೇಶವೇ ನಫಲವಾಗುವುದಿಲ್ಲ. ಪ್ರಶ್ನೆಗಳನ್ನು ಹಾಕುವ ನಮ್ಮ ಹಕ್ಕೇ ಹೊರಟುಹೋಗುತ್ತದೆ.

**Mr. SPEAKER.**—That I cannot say. If it is left to me, I will allot time and try to dispose of all the questions. If the House is not agreed on that point, how can I help ? Therefore, we will consider that matter tomorrow.

ಶ್ರೀ ಎಚ್. ಕೆ. ಶಿವರುದ್ರಪ್ಪ.—ಸ್ಯಾಮಿ, ಇದು ವರೆಗೆ ತಾವು ನಡೆಸುತ್ತಿದ್ದ ರೀತಿಯಿಂದ ಸಾಧಾರಣವಾಗಿ ಎಲ್ಲ ಪ್ರಶ್ನೆಗಳೂ ಬರುವ ಹಾಗೆ ಮಾಡುತ್ತಿದ್ದಿರಿ. ಅದೇ ರೀತಿ ನಡೆದುಕೊಂಡು ಬರುತ್ತಿತ್ತು. ಆದರೆ ಈ ಧುರದ್ಯಪ್ಪದ ಪ್ರಶ್ನೆ ಈ ಹೊತ್ತು ಒದಗಿ ನಮ್ಮ ಪ್ರಶ್ನೆಗಳಿಗೆ ಅವಕಾಶವೇ ದೊರೆಯದೆ ಹೋಯಿತು. ಒಬ್ಬರಿಗೊಂದು, ಇನ್ನೊಬ್ಬರಿಗೊಂದು ರೀತಿ ಆದ ಹಾಗಾಗುತ್ತದೆ. ಈ ರೀತಿ ಮಾಡುವುದು ಸೂಕ್ತವಲ್ಲ. ಇದಕ್ಕೆ ಬೇರೆ ಸರಿಯಾದ ಏರ್ಪಾಡು ಮಾಡಬೇಕು.

ಶ್ರೀ ವಿ. ಆರ್. ನಾಯ್ಡು.—ಸ್ಯಾಮಿ, ನನ್ನ ದೊಂದು ಮನವಿ. ಈಗ ಮಾನ್ಯಸದಸ್ಯರು ಮಾತ ನಾಡಿದ್ದು ಅರ್ಧರ್ಧ ಗಂಟೆಯಾಯಿತು. ಅವರು ಹೇಗೆ ಪ್ರಶ್ನೆಗಳನ್ನು ಹಾಕುತ್ತಾರೋ ನಾವೂ ಅದೇ ರೀತಿ ಹಾಕುತ್ತೇವೆ. ದಯಾಪರರಾದ ತಮ್ಮನ್ನು ಕೇಳಿಕೊಳ್ಳುತ್ತೇವೆ. ತಾವು ಕರುಣೆಯಿಟ್ಟು ನಮಗೆ ಅವಕಾಶ ಕೊಡಬೇಕು. ಶ್ರೀ ಭೀಮಪ್ಪನಾಯಕರ ಪ್ರಶ್ನೆಯಿಂದ ಶ್ರೀ ಶಿವರುದ್ರಪ್ಪನವರು ಹೇಗೆ ವ್ಯಥೆ ಪಡುತ್ತಾರೋ ಹಾಗೆಯೇ ನಾನೂ ವ್ಯಥೆಪಡುತ್ತೇನೆ.

**Mr. SPEAKER.**—I have said already that I cannot by-pass the rules that are in force. Within the question-hour, I allowed Hon'ble Members to put questions. Some Members wanted to put some more questions, and so time was allowed. If the House agrees from tomorrow to leave the matter to me, I will try to dispose of all the questions. Some Hon'ble Members may be under the impression—of course, it may not be with any *mala fide* intention—that I sometimes come to the rescue of the Government and save them. I would like to say that it is far from my intention to save the Government or obstruct the members from putting questions. In view of the large number of questions on the agenda, I was appealing to the House to give me discretion to allot time and proceed to the next question. We will consider this matter tomorrow.

**Sri S. SRINIVASA IYENGAR.**—May I submit to the Chair one thing, Sir ? Mr. Speaker, Sir, may I submit that permission to put supplementary questions does not vest with the House but with the Speaker. Permitting members to put supplementary questions is governed by rule 33. The Speaker has every right to cut down supplementary questions. Therefore, our request is that every member must have the opportunity to put questions—those that have been brought on the agenda. Therefore, it is not the House that decides; it is the Speaker who decides the putting of supplementaries. Our humble submission is that the Speaker should guard our interests and see that every one of us get chances to put questions. You were just observing, Sir, that it is the House that decides. I submit that it is the Speaker. It is governed by rule 33.

**Mr. SPEAKER.**—That I know. I never took the decision or the opinion of the House. I found that some members wanted to put more questions and I did not want to create a wrong impression that I am helping the Government.

**Sri S. SRINIVASA IYENGAR.**—Our privilege has been taken away, Sir.

**Mr. SPEAKER.**—I will consider it from tomorrow.

**Sri M. MADIAH.**—If the House is prepared to sit after 5 P.M. in view of the large number of questions that are on the agenda, we will take up these questions.

**Mr. SPEAKER.**—That is not a proper procedure.

ಶ್ರೀ ಎ. ವಿ. ನರಸಿಂಹರೆಡ್ಡಿ.—ಶ್ರೀ ಶ್ರೀನಿವಾಸಯ್ಯಂಗಾರ್ಯರು privilege ವಿಷಯ ಹೇಳಿದರು. ಎಲ್ಲ ಸದಸ್ಯರೂ ಪ್ರಶ್ನೆಗಳನ್ನು ಹಾಕಬೇಕೆನ್ನುವಾಗ ಬೇಡವೆಂದು ಹೇಳಿ ತಡೆಗಟ್ಟಿದರೆ ಅದೂ privilege ಪ್ರಶ್ನೆಯಾಗುತ್ತದೆ. ಸದಸ್ಯರ ಹಕ್ಕನ್ನು ಮೊಟಕು ಮಾಡಿದಂತಾಗುತ್ತದೆ.

**Mr. SPEAKER.** I want to bring to the notice of the Hon'ble House that at that rate, not even a few questions set down for the day can be disposed of. Because, every Hon'ble Member feels that his question is important. Therefore, if there is any important question which cannot be tackled during question-hour, I appeal to the Hon'ble Members to take other opportunities and elicit further additional information which they want. Also, there is provision in the rules that you can bring this matter on some other occasion. I therefore appeal to the members to take such action as provided in the rules.

ಶ್ರೀ ಟಿ. ಎಚ್. ಮೂಡಲಗಿರಿಗೌಡ.—ಒಂದು ವಿಷಯವನ್ನು ತಮ್ಮ ಗಮನಕ್ಕೆ ತರಬೇಕೆಂದಿಚ್ಛಿಸು

ತ್ತೇನೆ. ಈಗಾಗಲೇ ಕೆಲವು ಮಾನ್ಯ ಸದಸ್ಯರು ವ್ಯಕ್ತ ಪಡಿಸಿರುವ ಹಾಗೆ ತಾವು ಇದುವರೆಗೆ ಬಹಳಚೆನ್ನಾಗಿ ಎಲ್ಲಾ ಪ್ರಶ್ನೆಗಳೂ ಪೂರ್ಯೆಸುವುದಕ್ಕೆ ಎಷ್ಟು ಅವಕಾಶ ಕೊಡಬೇಕೋ ಅಷ್ಟನ್ನು ಕೊಟು ಕೊಂಡು ಬಂದಿದ್ದೀರಿ. ಈ ವೊತ್ತಿನ ದಿವಸ ಏನು ನಡೆದಿದೆಯೋ ಇದರಿಂದ ಅನೇಕ ಸದಸ್ಯರಿಗೆ, ಕೆಲವರ ಪ್ರಶ್ನೆಗಳು ಬಂದರೆ ತಮ್ಮ ಪ್ರಶ್ನೆಗಳನ್ನು ಹಾಕಲು ತಮಗೆ ಅವಕಾಶ ಸಿಕ್ಕದೇ ಹೋಗಬಹುದು, ಆ ಕೆಲವರೇ ಎಲ್ಲ ಕಾಲವನ್ನೂ ತಗೆದುಕೊಳ್ಳುತ್ತಾರೆಂದು ಅರ್ಥವಾಗಿದೆ. ಹೀಗಾಗ ಬಾರದೆಂದು ಹೇಳುತ್ತೇನೆ.

Mr. SPEAKER.—There is no need for further discussion.

(Sri Y. M. Chandrasekhariah rose.)

I do not allow any further discussion on this matter.

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## QUESTIONS FOR ANSWERS ON THE DAY

### (but not taken up).

### Roads (Construction in Channapatna Taluk).

*Q.*—3. Sri V. VENKATAPPA (Channapatna Constituency).—

Will the Government be pleased to state :—

(*a*) whether representation was not made to Government to take up the undermentioned roads in Channapatna Taluk :—

(i) continuation of Santhemogenahalli–Akkur road to Iggalur ;

(ii) the road from Dasavara to Makali ;

(iii) the road from Mosarakatti near Byrapatna to Garkahally *via* Chakkere, Sulleri and other villages ;

(iv) the road from Byrapatna to Bevur, Mandya *via* Devarahalli, Hulivadi, Bedarahalli, Guddehosur and Avverahalli ;

(*b*) the action taken in the matter?

*A*—Sri T. CHANNIAH (Minister for Public Health and Local Self-Government).—

(*a*) Yes.

(*b*) Government sanctioned a sum of Rs. 50,000 towards the cost of construction of roads from Santhemogenahalli to Sogala *via* Akkur, from Dasavara to Makali, and two other roads. As regards items (iii) and (iv) the works could not be taken up as the District Board could not afford the necessary finance.

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### Kempambudhi Tank (Improvement by City Improvement Trust Board).

*Q.*—327. Sri R. ANANTARAMAN (Chamarajpet).—

Will the Government be pleased to state :—

(*a*) the year when a scheme was drawn up to effect improvement to the Kempambudhi Tank by the City Improvement Trust Board ;

(*b*) the details of improvements contained in the scheme ;

(*c*) the improvements already effected, if any ?

*A*.—Sri T. CHANNIAH (Minister for Public Health and Local Self-Government).—

(*a*) No such scheme was prepared by the City Improvement Trust Board, Bangalore.

(*b*) Does not arise in view of reply to clause (*a*).

(*c*) Does not arise in view of reply to clause (*a*).

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### Wells in Bangalore South Taluk.

*Q.*—374. Sri B. T. KEMPARAJ (Bangalore South—Scheduled Castes).—

Will the Government be pleased to state :—

(*a*) the number of wells completed in Bangalore South Taluk since 1952 up to 1st February 1955 ;

(*b*) the number of wells estimated to be constructed ;

(*c*) the number of wells still not completed ?

*A*.— Sri T. CHANNIAH (Minister for Public Health and Local Self-Government).—

(*a*) 44.

(*b*) 94.

(*c*) 50.